

The Workforce Investment Act provides states the flexibility to request waivers to be used in the administration of employment and training activities authorized under the Workforce Investment Act. The state of Idaho is requesting extensions of all of its existing waivers during PY14 to continue implementation of a simplified and streamlined system crucial to the seamless delivery of workforce services in the state. Its request to waive these statutory and regulatory Workforce Investment Act requirements under the U.S. Department of Labor Employment and Training Administration's waiver authority will allow the state flexibility to design and implement workforce strategies to meet unique state needs.

Because of the magnitude of improvement to the workforce development system and local operations these waivers provide, the state seeks to re-implement these waivers for PY14 (pages 2-18) with the continued approval of the Workforce Development Council and the U.S. Department of Labor. These waivers provide significant value to the state's workforce investment system and are consistent with the principles and intent of the Workforce Investment Act of 1998 and pending WIA Reauthorization legislation.

Under the Workforce Investment Act of 1998, states must propose expected levels of performance for each of the common performance measures consisting of the adult, dislocated worker and youth programs respectively. In order to ensure an optimal return on the investment of the activities authorized, the U.S. Department of Labor and each state must reach agreement on the levels of program performance each program year.

To report common performance measure outcomes the negotiations process will focus on establishing a total of nine agreed-upon levels of performance for the WIA Adult, Dislocated Worker and Youth programs and the three Wagner-Peyser Act measures. The three adult common measures will be applied separately to the WIA Adult and Dislocated Worker programs, and the three youth common measures will be applied to the WIA Youth program.

The table on the page 19 summarizes Idaho's proposed performance measures, based on its assessment of the regression model provided by the U.S. Department of Labor and staff analysis of data and information specific to Idaho. Official negotiations of these performance targets will commence with the U.S. Department of Labor/Employment and Training Administration during the month of June 2014.

In accordance with WIA Sec. 189(i)(4)(B)(v), 20 CFR 661.420.(c)(5)(iv) and 661.220(d) and Training and Employment Guidance Letter (TEGL) 25-13, the state of Idaho is providing this public notice seeking public review and comment on its waiver extension requests and its proposed measures for Program Year 2014. In addition, these items will also be considered modifications of the state's Workforce Investment Act – Wagner Peyser Plan. Comments may be sent via e-mail to WIAPlan@labor.idaho.gov or via regular mail to:

WIA Plan Changes
Idaho Department of Labor -Workforce Division
317 W. Main St.
Boise ID 83686

State of Idaho PY14 WIA Waiver Requests

1) WAIVER ON THE TIME LIMIT ON PERIOD OF INITIAL ELIGIBILITY FOR TRAINING PROVIDERS

A. Statutory regulation to be waived:

The State of Idaho respectfully requests a waiver regarding the Workforce Investment Act's (WIA) time limit on the period of initial eligibility of training providers (20 CFR 663.530) through June 30, 2015.

B. State or local statutory or regulatory barriers:

There are no state or local statutory or regulatory barriers to implementing the requested waiver.

C. Goals to be achieved by the waiver:

Idaho has been committed to delivering quality employment and training programs under WIA. However, it is very likely that if the waiver extension is not approved, the implementation of the subsequent eligibility criteria will prevent providers from participating in WIA and deny the state the ability to continue to provide the broadest range of training options for its WIA participants. With the potential for WIA reauthorization, there is an opportunity to streamline training providers' subsequent eligibility under a "new" WIA.

D. Description of individuals impacted by the waiver:

The state's training providers have expressed strong concerns with the implementation of subsequent eligibility requirements. The concerns include the following:

- a) confidentiality (FERPA compliance),
- b) excessive administrative burden and costs associated with tracking all students,
- c) time delays with UI wage records,
- d) the difficulty in establishing statistically valid processes for adjusting UI wage record data based on economic, geographic, and demographic factors of the local area and characteristics of the population being served, and
- e) establishing a consumer report based on a wage record system that underreports employment rates for training programs.

E. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:

Consistent with the general waiver request, the state is adhering to publication requirements to ensure the broadest participation possible through this process. Opportunities for comment have been continually provided to the public and the state's Workforce Development Council, which has consistently approved this waiver since the state's initial request in 2001.

Recently, the state Workforce Development Council reviewed and approved this and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 18, 2014. Any public comments received will be reviewed and incorporated as necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

2) UTILIZATION OF COMMON MEASURES FOR REPORTING

A. Statutory regulation to be waived:

Idaho is requesting renewal of a waiver of sections 136 of WIA and 666 of the final rules (approved originally for PY 2006) to adopt and report on the six common measures in lieu of the existing 17 WIA performance measures for PY 2014, implemented in conjunction with these same measures for the state's Wagner-Peyser, Jobs for Veterans Act and Trade Adjustment Act programs.

B. State or local statutory or regulatory barriers:

There are no state or local statutory or regulatory barriers to implementing the requested waiver.

C. Goals to be achieved by the waiver:

With the shift to the six standards under common measures, Idaho has achieved the following goals:

1. Elimination of duplicative administrative systems which have reduced paperwork and labor costs associated with redundant data collection. One example includes the elimination of the tracking and performance for:
 - i. the credential measure for Adults and Dislocated Worker clients
 - ii. the skill attainment measure for Younger Youth; and
 - iii. enhancement in the integration of the One-Stop System by use of a single measurement system to test performance.
2. Refocused youth investments through the creation of opportunities to better implement the state Workforce Development Council's vision for services to youth in the state, which includes a youth program focused on out-of-school populations with increased accountability for employment and/or increased secondary and postsecondary education outcomes.
3. Cost savings through streamlining. A simplified and streamlined performance measurement system proves more cost effective. With consistent direction, program resources have been directed to a single set of goals, rather than competing goals and costly processes.

By requesting to continue this waiver to remove Idaho from the original measures, the state avoids a duplication of efforts in reporting and is able to apply its limited resources where they are most needed.

D. Description of individuals impacted by the waiver:

The waiver has the potential to continue to positively impact all customers of the workforce development system in Idaho while providing better accountability, program management and performance.

E. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:

Consistent with the general waiver request, the state is adhered to publication requirements to ensure the broadest participation possible through this process. The original waiver request was approved by the state's Workforce Development Council in May of 2006, with public comments solicited, however none was received.

Recently, the state Workforce Development Council reviewed and approved this and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 19, 2014. Any public comments received will be reviewed and incorporated as necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

3) STATEWIDE REGIONAL PLANNING AREA – SINGLE STATEWIDE COUNCIL

A. Statutory regulation to be waived:

With this request, the State of Idaho is formally seeking renewal of a waiver to apply 20 CFR 661.300(f) which permits a state board to carry-out the roles of a local board in a single local area to a statewide regional planning area. The state's shift from six regional areas to a single statewide planning area allows the state to address federal strategic priorities and to further reforms envisioned in the Workforce Investment Act. The state's two designated areas entered into a consortium agreement, to function as a single state area under a single regional plan. To maximize resources available for service delivery, the state wishes to continue to use the Workforce Development Council as the local workforce board for this area. This fosters sharing of data and information across regions and ease movement of customers from region to region.

B. State or local statutory or regulatory barriers:

No state or local policies limit the Governor's authority to require a regional plan or utilize the Workforce Development Council as the local workforce board for the Idaho Workforce Consortium.

C. Goals to be achieved by the waiver:

The State will achieve the following goals if the waiver extension is granted:

- 1) As seen since its initial implementation, the single statewide planning structure has reduced annual overhead, on average, from 14 percent to less than three percent, a reduction of more than \$1.3 million that was previously spent to support the state's original six-region structure. This efficiency has maximized the available money directed to training and services to business and job seekers. The State has set a goal of spending 50 percent of WIA local Adult and Dislocated Worker funds for direct training and support of businesses and participants, positively impacting achievement of performance goals.
- 2) This statewide structure enhances efforts to transform the system into a demand driven system by further integrating economic development activities into the One-Stop system. The 25 Idaho Department of Labor offices across the state serve as the state's American Job (One-Stop) centers and incorporate the full range of economic and workforce development services in their offerings. This recognizes the importance of sharing data and information about new and expanding businesses to build the economy across regions.
- 3) The One-Stop system has since been enhanced through expansion of the number of *IdahoWorks* American Job (One-Stop) Centers to twenty-five sites, broadening the reach to Idaho's citizens and business customers in our urban and rural areas. The initial focus of this implementation was to build these centers' capacity to offer a full range of business development services. Subsequent years' goals are to expand One-Stop partners' participation in the One-Stop system to more fully integrate the wider range of services available at the centers.
- 4) This statewide delivery structure provided the Workforce Development Council an opportunity to redesign the state's youth program, taking fuller advantage of opportunities for leveraging funds among organizations serving youth. The Workforce Development has developed a strategic planning process designed to identify gaps and prioritize services to those youth who demonstrate the greatest need.
- 5) The single statewide structure has strengthened administrative oversight and accountability processes. Prior to this change, administrative deficiencies resulted in substantial disallowed costs for Idaho's largest Workforce Investment Area. The strengthened administrative structure, under the waiver, has assisted Idaho to avoid future disallowed costs and will continue to do so, thus further enabling the redirection of funds from service provider and administration to direct participant training and support.

D. Description of individuals impacted by the waiver:

The change to a single statewide regional planning structure, in conjunction with this waiver, has allowed for an average annual increase in training opportunities for an additional 500 or more adults, dislocated workers and at-risk youth, and has since

permitted the state to maintain these service levels despite occasional funding cuts throughout the years.

E. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:

Consistent with the general waiver request, the state is adhering to publication requirements to ensure the broadest participation possible through this process. Originally this waiver was announced to the general public as part of the PY05 plan review process which included a process for soliciting review and comment during a three-week period and review by the state's Workforce Development Council, which included comments from the Local Workforce Investment Boards and their staff.

Recently, the state Workforce Development Council reviewed and approved this and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 19, 2014. Any public comments received will be reviewed and incorporated as necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

4) INCLUDE YOUTH FOLLOW-UP, SUPPORT SERVICES, WORK EXPERIENCES AS FRAMEWORK SERVICES

A. Statutory regulation to be waived:

WIA Section 123, Section 117(h)(4)(B)(i), and 20 C.F.R. Part 664.400 require that eligible providers of youth services be selected by awarding a grant or contract on a competitive basis for youth activities and services. The state of Idaho requests an extension of its waiver for this provision.

B. State or local statutory or regulatory barriers:

Idaho has implemented WIA under federal law without any additional legislative or local limitations or requirements. No additional barriers need to be addressed.

C. Goals to be achieved by the waiver:

The goals for the youth program under the waiver extension are greater effectiveness, efficiency, and continuity of services which results in higher retention rates.

Extending this waiver integrates the coordination and provision of these youth activities with the elements of the Youth program design framework delivered through Idaho's One-Stop system and its twenty-five American Job (One-Stop) Centers, increasing customer choice and flexibility in the customer's service strategy with greater access to WIA as well as partner program services accessed through the One-Stop system.

This extension continues to ensure an efficient, cost-effective delivery system developed at the American Job Centers by eliminating duplicate processes among training providers for work experiences in the same community. Since those providing framework services better understand where each youth is in relationship to his or her individual service strategy, during program participation, exit or the period for follow-up begins, the waiver extension also allows for a smoother flow of data, documenting:

- the delivery of youth services; and
- the outcomes that result from youth participation

Common measures reporting improves with this waiver extension since the framework service provider will best know when a WIA youth participates in partner programs, allowing for better administrative judgment to determine the appropriate time for program completion and influencing the corresponding time period for a positive performance outcome.

A waiver extension allows for the coordination and provision of these youth activities with the elements of the Youth program design framework delivered through Idaho's One-Stop system and its twenty-five American Job Centers, all operated by the Idaho Department of Labor. Integration of these services increases customer choice and flexibility in the customer's service strategy with greater access to WIA as well as partner program services accessed through the One-Stop system.

By eliminating duplicate processes among training providers for work experiences in the same community, the waiver extension ensures an efficient, cost-effective service delivery system. Development of worksites, building relationships with work site supervisors, training staff to monitor sites, and setting up agreements, and processes for payment of youth is very labor intensive. Through this system developed in the American Job Career Centers, it is more cost effective and eliminates a duplication of effort when the same, or very similar, services are offered by two or more organizations in the same community.

Authorization for the extension of this waiver allows for a smoother flow of data that documents the delivery of youth services, as well as the outcomes that result from youth participation, since the organization that provides the framework services is in a better position to understand where each youth is in relationship to his or her individual service strategy, when a youth has exited a WIA service or the WIA program, and when the follow-up period begins.

The waiver extension also supports improved common measures reporting since the framework service provider is in the best position to know when a WIA youth is also participating in another partner program, and therefore make a better administrative judgment as to when program completion will trigger the time period to determine a performance outcome under the new common measures.

The goals for the youth program under the waiver extension will be continued greater effectiveness, efficiency, and continuity of services. Local American Job Centers will provide greater continuity of services for youth, resulting in higher retention rates. The case management relationship with participants is based upon a thorough knowledge of the youth, their employment plan, expected outcomes, and barriers. When this relationship continues, and services are seamlessly accessed, the youth is more likely to follow through with the service strategy in a timely manner, take advantage of available services that lead to positive change, and achieve longer retention after program exit.

D. Description of individuals impacted by the waiver:

The individuals affected by this waiver extension will be older and younger youth customers, and organizations/agencies who might be interested in RFP opportunities to deliver youth services.

E. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:

Consistent with the general waiver request, the state adhered to publication requirements to ensure the broadest participation possible through this process. This waiver request was originally developed in response to the recommendations of Idaho's Workforce Development Council Youth subcommittee, working with a number of statewide youth providers to study and re-design WIA youth service delivery. On September 10, 2008, the Council reviewed and approved the subcommittee's re-design recommendations, which included this waiver request and public comments received in response to the press release.

Recently, the state Workforce Development Council reviewed and approved this extension and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 19, 2014. Any public comments received will be reviewed and incorporated as necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

5) PROHIBITION ON USE OF YOUTH WIA DOLLARS TO FUND INDIVIDUAL TRAINING ACCOUNTS FOR OLDER YOUTH

A. Statutory regulation to be waived:

WIA Section 129 and WIA Regulations 29 C.F.R. 664.510 prohibit the use of WIA Youth dollars to fund Individual Training Accounts for youth.

B. State or local statutory or regulatory barriers:

There are no state or local statutory or regulatory barriers to implementing the requested waiver.

C. Goals to be achieved by the waiver:

Extension of this waiver will permit WIA Youth service providers to employ the use of *Individual Training Accounts* (ITA's) for out-of-school youth. An ITA allows youth to receive individual training in accordance with systems established for WIA Adult and Dislocated Worker programs. The ITA is generally applicable to older youth who lack the occupational skills to be successful in employment and whose individual service strategy reflects that skill training is appropriate and necessary to attain self-sufficiency. The ITA gives service providers options for youth which maximize efficiency and customer choice.

Serving older youth with ITA's by dual-enrolling in the WIA Adult program is possible. However, dual-enrollment requires duplicative processes, increasing costs for staffing and record processing. Youth below 18 years of age have no option for ITA's since they are not eligible for the Adult program.

The goals sought by this waiver extension are to increase: 1) The number of youth entering into employment; 2) The percentage of youth receiving credentials; and, 3) The number of youth being retained in employment.

D. Description of individuals impacted by the waiver:

This waiver extension impacts the processes used by frontline staff to meet the skill training needs of youth customers and directly impact older WIA eligible youth allowing them to benefit from an ITA. These customers are then be able to directly receive the same types of services afforded adult and dislocated workers without unnecessary paperwork or tracking.

E. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:

Consistent with the general waiver request, the state is adhering to publication requirements to ensure the broadest participation possible through this process. This waiver request was originally developed in response to the recommendations of Idaho's Workforce Development Council Youth subcommittee, working with a number of statewide youth providers to study and re-design WIA youth service delivery. On September 10, 2008, the Council reviewed and approved the subcommittee's re-design recommendations, which included this waiver request and public comments received in response to the press release.

Recently, the state Workforce Development Council reviewed and approved this extension and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 19, 2014. Any public comments received will be reviewed and incorporated as

necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

6) WAIVING THE MAXIMUM EMPLOYER REIMBURSEMENT RATE FOR ON-THE-JOB TRAINING PARTICIPATION

A. State or local statutory or regulatory barriers:

The state requests a waiver extension of the requirement of the 50 percent employer reimbursement limit for on-the-job training, as identified at WIA Section 101 (31)(B) and 20 CFR 663.710 Idaho has established on-the-job training reimbursement costs based on a sliding reimbursement scale for employers. Under this waiver, the following OJT employer reimbursement amounts are permitted:

- a. up to 90% for employers with 50 or fewer employees;*
- b. up to 75% for employers with 50 - 250 employees;*
- c. for employers with 251 or more employees, reimbursement would remain at the 50% statutory level*

The sliding scale is based on the following factors:

- Demand for the occupation/industry for which OJT is being delivered;
- Percentage of successful completers hired by employer or employers;
- Size of the potential employer's workforce; and
- Demographic characteristics of the trainees, emphasizing the training of individuals with multiple barriers to employment.

No reimbursement greater than 50 percent remains in effect longer than three months. The waiver extension applies to Program Year 2014.

B. State or local statutory or regulatory barriers:

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

C. Goals to be achieved by the waiver:

This waiver extension provides the state of Idaho a greater flexibility in responding to local labor markets, maximizing the state's response in utilizing WIA funds to meet the needs of businesses.

The goal of this waiver extension is to continue enhancing the attractiveness of OJT, focusing on the benefits of increased reimbursement which outweigh the upfront "government paperwork" and allowing businesses to train job seekers who may have challenging barriers.

With this increase in the employer OJT reimbursement rate for businesses, Idaho's workforce system is able to more effectively market WIA funded on-the-job training to support job creation in targeted employment sectors. This increased

reimbursement rate creates the necessary flexibility for employers to reasonably benefit from their participation, meeting their needs, resulting in an increase in business participation in on-the-job training programs and eventually improving the percentages of job seekers that receive training and training-related employment.

This waiver extension request has the following goals and programmatic outcomes:

- Allows the state to continue to improve services to customers who would benefit through an OJT;
- Improves the state's capacity to market demand-driven services and build relationships with businesses;
- Increases employment opportunities for harder to serve individuals persons, such as the long term unemployed, older workers, and those with limited or sporadic job histories, by allowing businesses to receive higher reimbursement for training and hiring this population;
- Increases opportunities for the One-Stop system to enhance relationships with businesses;
- Increases percentages of employers using OJT as a means of hiring and retaining a skilled workforce;
- Increases number and percentages of workers trained and hired through OJT programs;
- Elevates skill proficiencies for workers that will result in increased worker viability;
- Increases responsiveness to labor market issues in the private sector; and
- Increases flexibility at the local level to offer businesses training solutions tailored to respond to the specific needs of the business.

D. Description of individuals impacted by the waiver:

Employers benefit from this waiver extension by offering OJTs at a reduced cost. It allows businesses to rapidly adapt to changes in technology and the marketplace, making them capable of expanding and remaining competitive with affordable OJT options uniquely designed to achieve their specific developmental goals. Extending this waiver makes OJT a much more viable option, especially for small businesses looking to expand. The waiver targets all individuals (Dislocated Workers, Adults and Youth) who are eligible for services under WIA and may benefit from the availability of OJT options.

This waiver request was developed as a means of making WIA OJTs a more attractive employer option for obtaining employees trained to their specifications, also helping the employees' acquisition of transferrable skills to help them obtain employment later, should their current situation change. This effort also helps employers become more aware of the multitude of valuable resources offered by the state's One-Stop Centers.

E. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:

Consistent with the general waiver request, the state is adhering to publication requirements to ensure the broadest participation possible through this process to provide opportunities for public comment and incorporation into the waiver as necessary. The state's Workforce Development Council originally approved this waiver in Program Year 2009.

Recently, the state Workforce Development Council reviewed and approved this extension and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 19, 2014. Any public comments received will be reviewed and incorporated as necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

7) WAIVER TO THE PROVISION OF ADDITIONAL ASSISTANCE TO AREAS WITH HIGH CONCENTRATION OF YOUTH

- A. Statutory Provisions to be Waived:** The state of Idaho respectfully requests an extension of its waiver of the Workforce Investment Act §129(b)(2)(C) and 20 CFR §665.200(h), which require the provision of additional assistance to workforce areas that have high concentrations of eligible youth.
- B. State or Local Statutory Regulatory Barriers:** There are no state or local statutory or regulatory barriers to implementing the proposed waiver.
- C. Goals and Programmatic Outcomes to be achieved by the Waiver:** The reduction to five percent in the WIA allotment for PY'13 Governor's Reserve funds restricted the state's ability to effectively fund and carry out all of the required statewide WIA activities. For PY14, this amount was increased to 8.75 percent. However, the current funding level in the Governor's Reserve is insufficient to cover the cost of providing additional assistance to workforce areas that have high concentrations of eligible youth as the state's allocation was reduced almost 10 percent in comparison to the previous year. This is still insufficient to implement most statewide activities, including this one. Historically, the WDC has provided approximately \$100,000 in support of this required statewide activity, which represents about 33.4 percent of the current governor's reserve funds derived from the WIA youth allotment.

Based on the formula allocation factor that allocates one-third of program funds on the basis of relative number of disadvantaged youth, this funding is already directed at workforce areas with high concentrations of eligible youth. The Workforce Development Council allots over \$3.1 million in WIA youth funds to support enhanced services for eligible youth. Additionally, the WDC has increased the expenditure requirement for activities for out-of-school youth from 30 percent to 70 percent, thus ensuring youth most in need are prioritized within each workforce area's

WIA youth allocation.

Even with the increase of the Governor's Reserve from five to 8.75 percent, maintaining the previous level of commitment for this effort would equate to 12 percent of the total governor's reserve funds from all PY14 WIA programs – approximately \$800,000. This would further decrease an already severely impacted budget designated to support these activities. The state's reduced funds are being used for the following required activities:

- Carrying out statewide rapid response activities;
- Submitting required reports;
- Disseminating and making available the state's list of WIA Eligible Training Providers;
- Providing technical assistance to workforce areas;
- Assisting in the establishment and operation of the state's One-Stop delivery system; and
- Operating fiscal and management accountability information systems.

The state's goal in seeking this waiver extension is to ensure that the state prioritize the use of the Governor's reserve funds for the required WIA activities deemed most essential to the basic functions of the state's workforce development system.

D. Individuals Impacted by the Waiver: This waiver extension will provide the state with more flexibility in directing governor's reserve funds to those activities that best preserve basic functions of the statewide Workforce Development system.

It is not anticipated that this waiver will impact any services provided to WIA participants because the remaining 6.25% previously withheld at the state-level for statewide activities is now distributed directly to local areas. The local areas have been able to utilize the funds for participant services in the same manner they are able to use local-level WIA funds. The state does not believe that this waiver will comprehensively affect any services provided to WIA participants throughout Idaho.

Further, the state is committed to conducting these activities should the estimates contained within this document not bear out, or in the case that congressional action restores the ability for the state to withhold these funds at the levels established within WIA.

E. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:

Consistent with the general waiver request, the state adhered to publication requirements to ensure the broadest participation possible. Opportunities for comment were provided to the state's Workforce Development Council, which approved the waiver request during its meeting in October 2013. Public comments were solicited with no comments received.

Recently, the state Workforce Development Council reviewed and approved this and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 19, 2014. Any public comments received will be reviewed and incorporated as necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

8) WAIVER TO REQUIRE EVALUATION OF WORKFORCE INVESTMENT ACTIVITIES AND PROVISION OF INCENTIVE GRANTS TO LOCAL AREAS

- A. Statutory and/or regulatory requirements to be waived:** The state of Idaho respectfully requests a waiver extension of the following two sections of the Workforce Investment Act concerning required activities funded by Governor's Reserve funds:
- i. WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) requiring the completion of evaluations on workforce investment activities for adults, dislocated workers, and youth.*
 - ii. WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.*
- B. Actions undertaken to remove state or local barriers:** No state statutory or regulatory barriers exist at this time.
- C. Goals and expected programmatic outcomes of waiver:** Congressional action has decreased the percentage of Governor's Reserve funding for states from 15 percent down to 8.75 percent. Consequently, funding has become severely limited while the costs of operating the state's workforce development/One-Stop system and the other mandatory WIA activities continue to rise, further restricting Idaho's ability to effectively fund and carry-out all of the required statewide workforce investment activities. The current funding level for this program year and anticipated funding levels for future program years are insufficient to cover the costs of providing incentive grants and performance awards.

The state is seeking this waiver because it is unable to provide any meaningful incentives within the constraints of its current funding and with further funding reductions due to occur under sequestration. Historically, Idaho has set aside up to \$100,000 to provide funding to higher performing entities in the state. With the reduction in Governor's Reserve Funds from 15 percent to 8.75 percent, along with the almost 10 percent reduction in its overall WIA formula funding for PY14, maintaining such a level of commitment in this effort represents an almost greater

portion of its total statewide activity funds.

Estimated Costs to Carry Out the Required Activities associated with this Waiver

The state estimates that the annual costs of carrying out all the required activities under WIA Section 134 (a) at minimum of almost \$1 million annually, with approximately \$100,000 being attributed to the completion of both the evaluation of WIA activities and the provision of incentive grants to local areas.

Description of Past Uses of Statewide Funds

In the five years prior to the reduction in which the state had access to 15 percent Governor's Reserve Funds, it utilized over 93 percent, or over \$5.4 million of the 15 percent funds to provide additional funding throughout the state to local areas in order to enhance and improve local programs and performance. Some examples of these activities included providing additional funding for services to eligible WIA-participants such as Individual Training Accounts and On-the-Job Training (OJT), and support for other activities such as business service outreach statewide. In addition to providing funds for the required WIA activities, it also provided funds: a) to supplement Title V Older Workers programs located in select American Job Centers, b) the Idaho Youth Corps, designed to serve at-risk youth with summer work experiences in targeting opportunities that focused on the state's natural resources, c) and to increase business expansion opportunities in support of the department's Business Solutions initiative by funding customized training, on-the-job (OJT) training, and other training activities.

Description of How Statewide Funds are Prioritized

Traditionally, the State has used these funds to ensure that it conducts activities that are required within Section 134 of WIA. Governor's Reserve funds have also been used to support local programs and initiatives that increase the availability and quality of services provided to WIA participants. With the reduction of the Governor's Reserve Funds and subsequent shift to local formula funds, the state has prioritized usage of these funds to: 1) ensure that the state remains compliant with required WIA administrative functions; 2) maintain activities necessary for federal reporting through the management information systems for the programs in Idaho's workforce development system; and 3) promote and expand the services available through the 25 American Job Centers to business and individuals throughout the state.

Description of How Current Funding Levels are Insufficient to Cover the Statewide Activities Covered by this Waiver

Were the state to have the ability to withhold 15 percent of funds for Governor's Reserve Funds as allowed in WIA, it would have had approximately \$1.5 million during PY2014 to conduct all administrative activities required and statewide activities required by Section 134 of WIA. However, with the decrease from 15 percent to 8.75 percent for PY2014, an increase of 3.75 percent from the previous year, the State has approximately \$800,000 for this purpose. With a minimum estimated cost of all required activities covered in this waiver being more than \$150,000, this would leave the State with approximately \$650,000 to conduct all

statewide activities required by WIA, including providing technical assistance to local areas, assisting in the operation of the one-stop delivery system, and operating a fiscal and management accountability information system. These funds are insufficient to carry-out all of these activities.

With this waiver, Governor's Reserve funding will be used to enhance those primary and basic functions of the system. The state's reduced funds are being used for the following required activities:

- Carrying out statewide rapid response activities;
- Submitting required reports
- Disseminating and making available the state's list of WIA Eligible Training Providers;
- Providing technical assistance to workforce areas;
- Assisting in the establishment and operation of the state's One-Stop delivery system; and
- Operating fiscal and management accountability information systems.

The state's goal in seeking this waiver is to ensure that the state prioritize the use of the Governor's reserve funds for the required WIA activities deemed most essential to the basic functions of the state's workforce development system.

- D. Individuals impacted by waiver:** The ability to maintain, rather than reduce, the current levels of service is important and extremely valuable. This waiver will provide the state with more flexibility in directing governor's reserve funds to those activities that best preserve basic functions of the statewide workforce development system and ensure current service levels are maintained.

It is not anticipated that this waiver will impact any services provided to WIA participants as the 10% previously withheld at the state-level for statewide activities is now distributed directly to local areas. Local areas have been able to utilize the funds for participant services in the same manner that they are able to use local-level WIA funds.

Further, the state is committed to conducting these activities should the estimates contained within this document not bear out, or in the case that congressional action restores the ability for the state to withhold these funds at the levels established within WIA.

- E. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:**

Consistent with the general waiver request, the state adhered to publication requirements to ensure the broadest participation possible. Opportunities for comment were provided to the state's Workforce Development Council, which approved the waiver request during its meeting in October 2013. Public comments

were solicited with no comments received.

Recently, the state Workforce Development Council reviewed and approved this and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 19, 2014. Any public comments received will be reviewed and incorporated as necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

9) WAIVER OF THE LIMITATION ON TRANSFER OF FUNDS BETWEEN THE ADULT AND DISLOCATED WORKER PROGRAMS

- A. Statutory Provisions to be Waived:** The state of Idaho respectfully requests an extension of its waiver regarding the Workforce Investment Act's (WIA) Section 133(b)(4) and WIA Final Rules at 20 CFR Section 667.140, the provision to limit Workforce Investment Boards (LWIBs) ability to transfer up to 20 percent of a program year allocation for adult employment and training activities, and up to 20 percent of a program year allocation for dislocated worker employment and training activities between the two programs, with the approval of the governor. Under this waiver extension, the state proposes to limit the transfer authority up to 50 percent. This limitation provides states flexibility while ensuring consistency with congressional intent regarding the level of funding appropriate for the WIA adult and dislocated worker programs.
- B. State or Local Statutory Regulatory Barriers:** There are no state or local statutory or regulatory barriers to implementing the proposed waiver.
- C. Goals and Programmatic Outcomes to be achieved by the Waiver:** The challenges that dislocated worker program participants and adult program participants face each year vary throughout the state and over the course of the program year. If extended, this waiver would permit the state to lessen these challenges by transferring funding to more effectively serve its customers. This waiver extension enables the state to respond appropriately through the:
- Transference of resources in order to maximize them on behalf of its customers;
 - Customization of service delivery;
 - Maximization of the use of limited funds; and
 - Redirection of resources where demand for services is greatest.

As the current economic swings continue, flexibility such as this is critical to the rapid deployment of strategies to address worker and employer needs, which provides significant benefit to local and regional economies. The extension of this waiver will allow Idaho to continue to meet the challenges of the future with strong partnerships,

employer participation, and the continued support of state and federal leaders.

D. Individuals Impacted by the Waiver: This waiver will benefit WIA program participants, employers, service providers, the state's American Job Centers and the state Workforce Development Council.

F. Opportunity for public comment, including the local workforce investment board, business and labor and the process to monitor the implementation of the waiver:

Consistent with the general waiver request, the state adhered to publication requirements to ensure the broadest participation possible. Opportunities for comment were provided to the state's Workforce Development Council, which approved the waiver request during its meeting in October 2013. Public comments were solicited with no comments received.

Recently, the state Workforce Development Council reviewed and approved this and other waivers on May 22, 2014. The meeting was announced and opened to the public. Along with this comment opportunity, this request for waiver extension is posted at <http://www.labor.idaho.gov> for public review from May 19 – June 19, 2014. Any public comments received will be reviewed and incorporated as necessary. The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

IDAHO WORKFORCE INVESTMENT ACT AND WAGNER PEYSER PERFORMANCE MEASURES

PROPOSED PERFORMANCE GOALS FOR PY 2014

PY13 Negotiated Goals		Proposed PY 14 Goals
WIA Adult Programs		
1. Entered Employment Rate	85%	88%
2. Retention Rate	90%	87%
3. Average 6 Month Earnings	\$13,700	\$14,500
WIA Dislocated Worker Program		
4. Entered Employment Rate	88%	88%
5. Retention Rate	93%	91%
6. Average 6 Month Earnings	\$16,000	\$18,500
WIA Youth		
7. Placement in Employment or Education	82%	86%
8. Youth Attainment of a Degree or Certificate	82%	82%
9. Literacy and Numeracy Gains	45%	40%
Wagner Peyser		
1. Entered Employment Rate	61%	64%
2. Retention Rate	83%	83%
3. Average 6 Month Earnings	\$13,300	\$13,300